

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 2/28/2007**

	As of <u>2-28-07</u>	As of <u>6-30-06</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,709,705,360	\$ 1,568,651,856
INTERNATIONAL EQUITIES	860,447,927	728,736,085
DOMESTIC FIXED INCOME	1,960,928,119	1,827,967,399
INTERNATIONAL FIXED INCOME	179,979,272	175,048,602
REAL ESTATE POOL	391,963,579	361,756,992
VENTURE CAPITAL	153,175,194	137,923,531
INVESTED CASH (NOTE 1)	<u>92,074,825</u>	<u>86,329,243</u>
 TOTAL INVESTMENTS	 5,348,274,276	 4,886,413,708
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	20,255,522	23,902,849
CONTRIBUTIONS/ASSESSMENTS REC	369,261	7,715,230
MISCELLANEOUS RECEIVABLES	<u>4,691</u>	<u>3,797</u>
 TOTAL RECEIVABLES	 20,629,474	 31,621,876
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	9,147,669	9,827,265
DUE FROM OTHER AGENCIES (NOTE 3)	72,184	120,619
FIXED ASSETS (NET) (NOTE 4)	<u>1,035,729</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u><u>\$ 5,379,159,332</u></u>	 <u><u>\$ 4,929,019,197</u></u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	4,289,982	4,369,151
ACCRUED EXPENSES	409,190	492,643
CAPITAL LEASES PAYABLE	5,662	5,662
DUE TO OTHER AGENCIES (NOTE 5)	<u>72,185</u>	<u>120,619</u>
 TOTAL LIABILITIES	 4,777,019	 4,988,075
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,122	4,424,431,522
CASH IN DURING YEAR (NOTE 6)	189,153,034	390,918,734
CASH OUT DURING YEAR (NOTE 7)	235,955,363	319,323,971
NET INCREASE (DECREASE)	<u>497,153,520</u>	<u>428,004,837</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>5,374,382,313</u>	 <u>4,924,031,122</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 5,379,159,332</u></u>	 <u><u>\$ 4,929,019,197</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 2/28/2007**

	Month Ended <u>2-28-07</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 11,214,277	\$ 98,106,981
SECURITIES LENDING INCOME	<u>2,715,548</u>	<u>20,901,674</u>
	13,929,825	119,008,655
 GAIN ON SALE OF INVESTMENTS	 63,903,680	 344,350,176
LOSS ON SALE OF INVESTMENTS	<u>43,080,184</u>	<u>160,714,330</u>
 NET GAINS (LOSSES) INVESTMENTS	 20,823,496	 183,635,846
 INVESTMENT EXPENSES	 2,784,502	 13,078,208
SECURITIES LENDING EXPENSES	<u>2,623,213</u>	<u>20,309,715</u>
 NET INVESTMENT INCOME	 29,345,606	 269,256,578
 NET APPREC (DEPREC) MARKET VALUE	 (20,773,690)	 266,084,431
MISCELLANEOUS INCOME/(EXPENSE)	<u>(126,283)</u>	<u>(1,134,579)</u>
 TOTAL INVESTMENT INCOME	 8,445,633	 534,206,430
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,467,021	 30,707,877
PURCHASED SERVICE CREDIT (NOTE 9)	166,260	1,869,938
PENALTY & INTEREST (NOTE 10)	<u>508</u>	<u>958</u>
 TOTAL ADDITIONS	 <u>14,079,422</u>	 <u>566,785,203</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	8,189,959	65,690,529
PARTIAL LUMP SUM BENEFITS PAID	0	513,849
REFUNDS TO MEMBER (NOTE 12)	<u>420,208</u>	<u>2,321,956</u>
 TOTAL BENEFITS PAID	 8,610,167	 68,526,334
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	81,670	647,883
OPERATING EXPENSES	36,288	457,466
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>117,958</u>	 <u>1,105,349</u>
 TOTAL DEDUCTIONS	 <u>8,728,125</u>	 <u>69,631,683</u>
 NET INCREASE (DECREASE)	 <u>\$ 5,351,297</u>	 <u>\$ 497,153,520</u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**February 28, 2007**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                    OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                    DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                    CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**2/28/2007**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.